

# Projected Revenue Gains and (Losses) of LB 775 and LB 829 as amended for Tax Years 1987-2014 Projects by Fiscal Years\*\*

The estimates are based on a sample of 100 agreements signed and actual results of 263 projects from 1987 through 1999. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2014 with a 95 percent success rate.

All other pertinent information as provided in the applications, such as salary levels and investment composition (not all property is treated equally in regard to tax preferences), is taken into consideration.

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of the Employment and Investment Growth Act) is based on the company provided description of the project. The model estimates that 30 percent of the jobs created are true new economic jobs.

Credit used estimate is based on the assumption of maximized use for each year either against corporate income tax, individual income tax, or sales and use tax.

The time series analysis from 1987 to 1999 indicates that the usage of credits against sales and use taxes paid averages 45 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

The estimated profitability (individual and corporate income tax liability available for credit set-off) is based on the historical profitability of the respective companies.

The following is an estimate of new projects for the years 1999 through 2014.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2000	28	29.9	142	26,424
2001	25	53.9	126	24,240
2002	25	68.2	291	27,762
2003	20	28.1	299	25,468
2004	18	27.3	235	29,167
2005	17	50.9	204	26,757
2006	30	53.9	142	30,644
2007	20	49.5	126	28,111
2008	25	58.5	127	32,195
2009	40	50.1	291	29,535
2010	32	43.3	235	33,000
2011	28	37.2	135	36,439
2012	22	26.5	105	40,056
2013	20	33.6	95	39,067
2014	18	38.9	110	46,045

\*The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment levels represent the employees qualifying for credits).

\*\* A detailed description of the model is available upon request.

(Methodology and Assumptions for LB 775 Benefit and Cost Estimate; Nebraska Department of Revenue, Finance and Research Division, August 1996.)

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775 AND LB 829 AS AMENDED  
FOR TAX YEARS 1987-2014 BY FISCAL YEAR**

	99/00	00/01	01/02	02/03	03/04	04/05
SUMMARY Expansion: Sales and Use	57,922,033	61,825,595	65,710,553	69,159,697	72,429,954	75,170,734
Corporate	5,961,136	6,423,431	6,848,648	7,260,461	7,631,748	7,973,968
Individual	25,553,268	27,299,610	29,023,681	30,568,063	32,024,681	33,257,880
Sales and Use Tax Refunds TPP	31,676,248	31,885,606	31,565,683	31,195,737	30,252,191	28,602,589
Sales Only Formula	0	0	0	0	0	0
Credits and Wage Benefit Credit Used	78,963,032	81,402,674	83,054,130	84,054,994	83,468,302	81,978,359
Corp. or Individ. & Wage Benefit Credit	41,850,407	43,143,417	44,018,689	44,549,147	48,411,615	47,547,448
Sales and Use	37,112,625	38,259,257	39,035,441	39,505,847	35,056,687	34,430,911
Gain or (Loss)	(21,202,843)	(17,739,644)	(13,036,931)	(8,262,510)	(1,634,110)	5,821,634
Cumulative	(348,164,907)	(365,904,551)	(378,941,482)	(387,203,992)	(388,838,102)	(383,016,468)
Sales Tax Refunds (TPP+Credits Used)	68,788,873	70,144,863	70,601,124	70,701,584	65,308,878	63,033,500
	05/06	06/07	07/08	08/09	09/10	10/11
SUMMARY Expansion: Sales and Use	77,514,281	80,238,242	69,901,690	73,379,248	71,989,493	69,126,537
Corporate	8,262,048	8,528,008	8,468,988	7,718,322	7,964,879	7,773,144
Individual	34,310,531	35,506,500	31,348,271	32,439,028	31,981,749	30,759,873
Sales and Use Tax Refunds TPP	26,688,544	25,457,504	25,275,990	25,575,728	26,623,673	28,774,797
Sales Only Formula	0	0	0	0	0	0
Credits and Wage Benefit Credit Used	80,180,428	77,830,212	75,766,386	74,436,383	74,265,218	75,387,269
Corp. or Individ. & Wage Benefit Credit	46,504,648	45,141,523	43,944,504	43,173,102	43,073,827	43,724,616
Sales and Use	33,675,780	32,688,689	31,821,882	31,263,281	31,191,392	31,662,653
Gain or (Loss)	13,217,888	20,985,034	8,676,573	13,524,487	11,047,230	3,497,488
Cumulative	(369,798,580)	(348,813,546)	(340,136,973)	(326,612,486)	(315,565,256)	(312,067,768)
Sales Tax Refunds (TPP+Credits Used)	60,364,324	58,146,193	57,097,872	56,839,009	57,815,065	60,437,450
	11/12	12/13	13/14	14/15	15/16	16/17
SUMMARY Expansion: Sales and Use	71,426,337	70,589,815	71,851,470	73,209,233	67,768,526	68,231,667
Corporate	7,601,672	7,766,977	7,732,953	7,920,048	7,904,701	7,113,363
Individual	31,611,204	31,342,717	31,833,769	32,451,712	30,269,290	30,138,012
Sales and Use Tax Refunds TPP	30,585,015	31,418,296	32,121,715	30,962,128	27,439,816	28,413,385
Sales Only Formula	0	0	0	0	0	0
Credits and Wage Benefit Credit Used	76,802,098	78,450,703	80,661,309	81,351,071	80,674,274	84,323,772
Corp. or Individ. & Wage Benefit Credit	42,241,154	43,147,887	44,363,720	47,183,621	46,791,079	48,907,788
Sales and Use	34,560,944	35,302,816	36,297,589	34,167,450	33,883,195	35,415,984
Gain or (Loss)	3,252,100	(169,490)	(1,364,832)	1,267,794	(2,171,573)	(7,254,115)
Cumulative	(308,815,668)	(308,985,158)	(310,349,990)	(309,082,196)	(311,253,769)	(318,507,884)
Sales Tax Refunds (TPP+Credits Used)	65,145,959	66,721,112	68,419,304	65,129,578	61,323,011	63,829,369

NOTE: Rounding differences may cause slight variations.